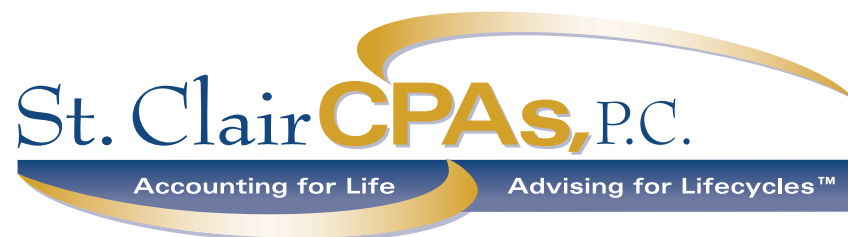


# KELLY ANNE DOLAN MEMORIAL FUND

(A PENNSYLVANIA NOT-FOR-PROFIT CORPORATION)

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

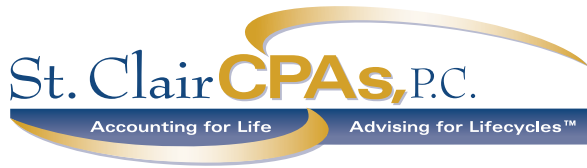


**KELLY ANNE DOLAN MEMORIAL FUND**  
**JUNE 30, 2012 AND 2011**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Kelly Anne Dolan Memorial Fund  
Ambler, Pennsylvania

We have audited the accompanying statements of financial position of Kelly Anne Dolan Memorial Fund (a Pennsylvania not-for-profit corporation) as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kelly Anne Dolan Memorial Fund as of June 30, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Conshohocken, Pennsylvania  
November 9, 2012

**KELLY ANNE DOLAN MEMORIAL FUND  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 97,899	\$ 143,619
Investments	172,688	167,820
Cemetery plots	160,785	151,800
Inventory in kind	<u>7,637</u>	<u>7,637</u>
<b>TOTAL CURRENT ASSETS</b>	<u>439,009</u>	<u>470,876</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and fixtures	11,573	11,573
Leasehold improvements	7,950	7,950
Office equipment	<u>40,537</u>	<u>40,537</u>
	60,060	60,060
Less accumulated depreciation	<u>59,209</u>	<u>58,342</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>851</u>	<u>1,718</u>
	<u>\$ 439,860</u>	<u>\$ 472,594</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 3,843</u>	<u>\$ 6,997</u>
<b>TOTAL LIABILITIES</b>	<u>3,843</u>	<u>6,997</u>
<b>NET ASSETS</b>		
Unrestricted		
Operating	233,785	278,542
Board designated	<u>172,688</u>	<u>167,820</u>
	406,473	446,362
Temporarily restricted	<u>29,544</u>	<u>19,235</u>
<b>TOTAL NET ASSETS</b>	<u>436,017</u>	<u>465,597</u>
	<u>\$ 439,860</u>	<u>\$ 472,594</u>

See accompanying notes.

**KELLY ANNE DOLAN MEMORIAL FUND**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>								
Contributions								
Foundations	\$ 91,735	\$ 49,500	\$ -	\$ 141,235	\$ 107,750	\$ 20,000	\$ -	\$ 127,750
Business donations	24,449	1,000	-	25,449	47,261	-	-	47,261
Memorial & miscellaneous	35,922	1,500	-	37,422	46,050	3,000	-	49,050
General appeal	34,136	-	-	34,136	49,380	2,400	-	51,780
School initiative	42,815	-	-	42,815	50,493	-	-	50,493
United Way donor choice	11,292	-	-	11,292	8,133	-	-	8,133
Gifts in kind	212,775	-	-	212,775	198,714	-	-	198,714
Special events and other	127,929	15,904	-	143,833	82,475	5,576	-	88,051
Investment income	276	-	-	276	918	-	-	918
Unrealized gain from investments/cemetery plots	4,868	-	-	4,868	35,278	-	-	35,278
Subtotal	586,197	67,904	-	654,101	626,452	30,976	-	657,428
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>								
Satisfaction of restrictions	57,595	(57,595)	-	-	29,770	(29,770)	-	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>643,792</b>	<b>10,309</b>	<b>-</b>	<b>654,101</b>	<b>656,222</b>	<b>1,206</b>	<b>-</b>	<b>657,428</b>
<b>FUNCTIONAL EXPENSES</b>								
Program services	502,134	-	-	502,134	517,520	-	-	517,520
Management and general	71,903	-	-	71,903	59,213	-	-	59,213
Fundraising	109,643	-	-	109,643	84,076	-	-	84,076
<b>TOTAL OPERATING EXPENSES</b>	<b>683,681</b>	<b>-</b>	<b>-</b>	<b>683,681</b>	<b>660,809</b>	<b>-</b>	<b>-</b>	<b>660,809</b>
<b>CHANGE IN NET ASSETS</b>	<b>(39,889)</b>	<b>10,309</b>	<b>-</b>	<b>(29,580)</b>	<b>(4,587)</b>	<b>1,206</b>	<b>-</b>	<b>(3,381)</b>
NET ASSETS, BEGINNING	446,362	19,235	-	465,597	450,949	18,029	-	468,978
<b>NET ASSETS, ENDING</b>	<b>\$ 406,473</b>	<b>\$ 29,544</b>	<b>\$ -</b>	<b>\$ 436,017</b>	<b>\$ 446,362</b>	<b>\$ 19,235</b>	<b>\$ -</b>	<b>\$ 465,597</b>

See accompanying notes.

**KELLY ANNE DOLAN MEMORIAL FUND  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2012 AND 2011**

	2012				2011			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 95,227	\$ 36,504	\$ 50,189	\$ 181,920	\$ 101,837	\$ 39,038	\$ 53,673	\$ 194,548
Payroll taxes	15,419	5,910	8,124	29,453	7,574	2,903	3,991	14,468
Employee benefits	5,382	2,064	2,838	10,284	6,088	2,334	3,210	11,632
Depreciation	572	234	61	867	928	380	98	1,406
Dues and subscriptions	435	178	46	659	783	320	83	1,186
Equipment rental	452	186	691	1,329	675	278	1,032	1,985
Family assistance	333,670	-	-	333,670	369,692	-	-	369,692
Fundraising expense	-	-	37,290	37,290	-	-	14,543	14,543
Insurance	2,009	823	212	3,044	1,214	497	128	1,839
Occupancy	5,148	2,106	546	7,800	5,148	2,106	546	7,800
Postage	1,825	911	910	3,646	1,754	876	875	3,505
Printing	4,691	2,344	2,344	9,379	4,228	2,113	2,113	8,454
Professional fees	3,000	500	1,500	5,000	2,711	452	1,355	4,518
Public relations	23,962	14,954	3,489	42,405	1,346	840	196	2,382
Repairs and maintenance	841	344	89	1,274	1,555	636	164	2,355
Telephone	2,600	1,064	275	3,939	2,603	1,065	276	3,944
Travel and conferences	68	74	22	164	576	625	190	1,391
Utilities	2,405	983	256	3,644	2,776	1,135	295	4,206
Website design	332	166	166	664	1,216	608	608	2,432
Other	4,097	2,558	595	7,250	4,816	3,007	700	8,523
<b>TOTAL</b>	<b>\$ 502,134</b>	<b>\$ 71,903</b>	<b>\$ 109,643</b>	<b>\$ 683,681</b>	<b>\$ 517,520</b>	<b>\$ 59,213</b>	<b>\$ 84,076</b>	<b>\$ 660,809</b>

See accompanying notes.

**KELLY ANNE DOLAN MEMORIAL FUND**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

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	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (29,580)	\$ (3,381)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	867	1,406
Net unrealized gains from investments / cemetery plots	(4,868)	(35,278)
Donated cemetery plots included in contributions	(8,985)	-
Decrease in assets		
Inventory in kind	-	27,231
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	<u>(3,154)</u>	<u>29</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>\$ (45,720)</u>	<u>\$ (9,993)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(45,720)	(9,993)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>143,619</u>	<u>153,612</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 97,899</u>	<u>\$ 143,619</u>

See accompanying notes.

**KELLY ANNE DOLAN MEMORIAL FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012 AND 2011**

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Kelly Anne Dolan Memorial Fund (the "Fund") was established in 1976 and was incorporated as a nonprofit organization in 1978. The Kelly Anne Dolan Memorial Fund provides advocacy, education, information and financial assistance for the uninsured needs of families with terminally, critically, chronically ill, seriously disabled or severely injured children. Requests are handled through social workers, case managers, doctors and nurses at various hospitals, medical facilities and social service agencies throughout Pennsylvania, New Jersey and Delaware. The Fund is supported primarily through grants from private foundations and corporations, individual donors and fundraising activities.

Basis of Accounting and Presentation

The Fund follows FASB ASC 958 *Financial Statements for Not-for-Profit Organizations*, to prepare its financial statements. Under FASB ASC 958, the Fund is required to report information regarding their financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Promises to Give and Restricted/Unrestricted Support

The Fund follows FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*, in recording contributions received. Contributions received are recorded as unrestricted, or temporarily restricted, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end. As of June 30, 2012 and 2011, there were no promises to give therefore no allowance was necessary.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Materials, Facilities and Services

The Fund recognizes donated materials and facilities in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*. The Fund also receives donated services from unpaid volunteers who assist in program activities, administrative duties and fundraising. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958-605.



**KELLY ANNE DOLAN MEMORIAL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Fund considers all highly liquid investments with maturity of three months or less when acquired to be cash equivalents.

Investments

In accordance with FASB ASC 958-320, investments are stated at fair market value, with unrealized gains and losses and realized gains and losses recognized on the statement of activities. The Fund considers all of its securities to be available-for-sale. Generally, for available-for-sale securities, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

Cemetery Plots

Cemetery plots are donated to the Fund for future use of families in need. They are included in the statement of financial position at fair market value as of June 30, 2012 and 2011 as determined by comparable sales of similar plots. As of June 30, 2012 and 2011, an unrealized gain (loss) in fair value for the cemetery plots of \$-0- and \$6,400 was classified as such in the statement of activities.

Inventory in Kind

Inventory in kind consists of donated promotional items and is recorded at estimated fair value.

Property and Equipment

Property and equipment is stated at cost. The cost of the property and equipment is depreciated over the estimated useful lives of the related assets on a straight-line basis.

Tax Status

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The Fund has been classified as a publicly supported charitable organization and is registered with the Pennsylvania Bureau of Charitable Organizations.

The Fund is no longer subject to examination by U.S. federal and state tax authorities for the tax years prior to the fiscal year ending June 30, 2009.

**KELLY ANNE DOLAN MEMORIAL FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012 AND 2011**

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

All costs associated with advertising are expensed in the year incurred. Advertising and marketing expense for the periods ended June 30, 2012 and 2011 was \$42,405 and \$2,382, respectively.

Reclassifications

Certain reclassifications have been made to the 2011 presentation to conform to the 2012 presentation.

NOTE 2 CONCENTRATION OF CREDIT RISK INVOLVING CASH

The Fund maintains cash balances at a financial institution, which at various times during the year may exceed the threshold for insurance provided by the Federal Deposit Insurance Corporations (FDIC). The Fund has not experienced any losses on such accounts. The Fund believes they are not exposed to any significant credit risk on their cash.

NOTE 3 INVESTMENTS, CEMETERY PLOTS AND FAIR VALUE MEASUREMENTS

The Fund's investments consist entirely of mutual funds and stocks and are detailed below:

	<u>Historical Basis</u>	<u>Market Value</u>	<u>Carrying Value</u>
<u>June 30, 2012</u>			
Marketable securities	<u>\$ 162,954</u>	<u>\$ 172,688</u>	<u>\$ 172,688</u>
<u>June 30, 2011</u>			
Marketable securities	<u>\$ 158,518</u>	<u>\$ 167,820</u>	<u>\$ 167,820</u>

The Fund's investments experienced unrealized gains of \$4,868 and \$28,878 classified as such in the statement of activities for the years ended June 30, 2012 and 2011, respectively.

FASB ASC 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

**KELLY ANNE DOLAN MEMORIAL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

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NOTE 3 INVESTMENTS, CEMETERY PLOTS AND FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Fund's investments and cemetery plots at June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and stocks				
Fixed income funds	\$ 70,208	\$ -	\$ -	\$ 70,208
Growth funds	41,341	-	-	41,341
Value funds	38,839	-	-	38,839
International funds	19,077	-	-	19,077
Other stocks	<u>3,223</u>	<u>-</u>	<u>-</u>	<u>3,223</u>
Total mutual funds and stocks	<u>\$ 172,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,688</u>
Cemetery plots	<u>\$ -</u>	<u>\$ 160,785</u>	<u>\$ -</u>	<u>\$ 160,785</u>

The following table sets forth by level, within the fair value hierarchy, the Fund's investments and cemetery plots at June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and stocks				
Fixed income funds	\$ 65,168	\$ -	\$ -	\$ 65,168
Growth funds	41,733	-	-	41,733
Value funds	38,322	-	-	38,322
International funds	19,966	-	-	19,966
Other stocks	<u>2,631</u>	<u>-</u>	<u>-</u>	<u>2,631</u>
Total mutual funds and stocks	<u>\$ 167,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,820</u>
Cemetery plots	<u>\$ -</u>	<u>\$ 151,800</u>	<u>\$ -</u>	<u>\$ 151,800</u>

NOTE 4 RESTRICTION OF NET ASSETS

Temporarily Restricted

Support contributions with donor-imposed restrictions that have not been met in the current year are reported as temporarily restricted net assets. Once the donor-imposed restrictions have been met, the net assets are released to the unrestricted net assets.

**KELLY ANNE DOLAN MEMORIAL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

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NOTE 4      RESTRICTION OF NET ASSETS (continued)

Temporarily Restricted (continued)

As of June 30, 2012 and 2011, temporarily restricted net assets were available for the following purposes:

	<u>2012</u>	<u>2011</u>
*Help and Hope Program	\$ 6,341	\$ -
Air conditioners/purifiers	886	1,591
Miscellaneous	-	2,104
Montgomery County children with disabilities	16,954	14,368
Montgomery County and West Philadelphia children with disabilities	1,997	
PCHF service area	-	1,172
Special equipment	2,463	-
Willow Grove area children with disabilities	903	-
	<u>\$ 29,544</u>	<u>\$ 19,235</u>

\*This new program aims to assist families that are experiencing especially severe difficulties. Through the program, expenses for uninsured necessities – like utilities, rent, groceries, or transportation costs – of up to \$1,000 per family are paid directly to creditors (to avoid misappropriation of funds). Every dollar raised for the Help & Hope Program goes directly to help families in need.

NOTE 5      COMMITMENTS

The Fund leases a copier under an operating lease which expires in April 2017. Lease payments for the copier for the periods ended June 30, 2012 and 2011 were \$1,329 and \$1,985, respectively.

Future minimum annual payments required under the term of the copier lease are as follows:

<u>Years ending June 30,</u>	
2013	\$ 1,099
2014	1,099
2015	1,099
2016	1,099
2017	<u>914</u>
	<u>\$ 5,310</u>

The Fund leases its office space on a month-to-month basis. The monthly lease payment is \$650. Rent expense for the years ended June 30, 2012 and 2011 was \$7,800.

**KELLY ANNE DOLAN MEMORIAL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

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NOTE 6      SUBSEQUENT EVENTS

The Fund has evaluated events or transactions that have occurred after June 30, 2012 (the financial statement date) through November 9, 2012, the date that the financial statements were available to be issued. During this period, the Fund did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.